

Clearing Notice SIX x-clear Ltd

Introduction of Concentration Margin Add-on

1.0 Overview

SIX x-clear ("x-clear") is closely monitoring the accuracy of its margin model in place. In recent months, x-clear has identified more concentrated clearing positions, which are based on the changing trading patterns of our Members.

As a consequence, the current margin model will be extended with the introduction of an additional Concentration Margin Add-on, by taking into account concentrated positions of our Members to ensure best practice in risk management by covering the inherent risks of such concentrated positions.

2.0 Effective date

1 August 2017

3.0 Impact on Members

All clients and positions (including equity collateral) will be subject to the Concentration Margin Add-on. The calculation takes into account factors including the size of the positions, traded volume and volatility of the underlying instruments as the main parameters. The potential exposure arising from the non-linearity in options will be also incorporated into the Concentration Margin Add-on.

4.0 Changes to Clearing Terms

In section 10.1 of the Clearing Terms of SIX x-clear Ltd for Norwegian Branch, the following paragraph will be introduced.

"SIX x-clear may calculate a Concentration Add-On towards Clearing Members to consider risks that are not taken into account to a sufficient degree through the normal margin methodology due to the size of a cleared position. The add-on is calculated on a daily basis and added to the margin account of the Clearing Members as part of the margin requirement."

5.0 Contact

For further assistance and more detailed information, please contact the Risk Operations team of x-clear under: xclearops.no@six-securities-services.com, tel: +47 23 17 96 00

In this context, SIX x-clear Ltd draws the Members' attention to clauses **7.1 lit. f., chapter 17.0 and 25.3** General Terms and Conditions of SIX x-clear Ltd stipulating that the Member bears responsibility for the tax requirements and consequences of clearing with x-clear pursuant to the Applicable Law and that SIX x-clear Ltd assumes no liability for any charges or other negative consequences arising in conjunction with clearing through SIX x-clear Ltd that are a result of tax laws or ordinances issued by tax authorities pursuant to the Applicable Law.